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## PART - VII GOVERNMENT OF MEGHALAYA ORDERS BY THE GOVERNOR

### NOTIFICATIONS

The 24th September, 2007.

**No.LL(B)26/2008/96:**—The following Acts passed by the Parliament and assent by the President of India and Published in the Gazette of India Extra Ordinary, Part II Section I on the date indicated below is hereby republished for general information.

Sl. No.	Name of Act	Act No. and Year	Date of Publication in the Gazette of India
1.	The Cigarette and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production Supply and Distribution) Amendment Act, 2007	No. 38 of 2007	25. 9. 2007
2.	StateBank of India (Subsidiary Bank Laws) Amendment Act, 2007	No. 30. of 2007	19. 6. 2007
3.	The Carriage by Road Act, 2007	No. 41 of 2007	1. 10. 2007

### THE CIGARETTES AND OTHER TOBACCO PRODUCTS (PROHIBITION OF ADVERTISEMENT AND REGULATION OF TRADE AND COMMERCE, PRODUCTION, SUPPLY AND DISTRIBUTION) AMENDMENT ACT, 2007

(AS PASSED BY THE PARLIAMENT)

AN

ACT

*to amend the Cigarettes and other tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003.*

BE it enacted by Parliament in the in Fifty-eighth Year of the Republic of India as follows:—

1. This Act may be called the Cigarettes and other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Amendment Act, 2007.

*Short title.*

**2.** In the Cigarettes and other Tobacco Production (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003, in Section 7, in sub-section (1), for the words "the specified warning including a pictorial depiction of skull and cross bones and such other warning as may be prescribed", the words "such specified warning including a pictorial warning as may be prescribed" shall be substituted.

Amendment of  
section 7 of Act 34  
of 2003.

## THE CARRIAGE BY ROAD ACT 2007

(AS PASSED By THE PARLIAMENT)

**AN**

**ACT,**

*to provide for the regulation of common carriers, limiting their liability and declaration of value of goods delivered to them to determine their liability for loss of, or damage to, such goods occasioned by the negligence or criminal acts of themselves, their servants or agents and for matters connected therewith or incidental thereto.*

BE it enacted by PARLIAMENT IN THE FIFTY eighth YEAR of the Republic of India as follows :—

- 1.** (1) This Act may be called the Carriage by Road Act, 2007.  
 (2) It extends to the whole of India, except the State of Jammu and Kashmir.

*Short title,  
extent and  
commencement.*

- 2.** In this Act, unless the context otherwise requires,—

(a) "common carrier" means a person engaged in the business of collecting, storing, forwarding or distributing goods to be carried by goods carriages under a goods receipt or transporting for hire of goods from place to place by motorised transport on road, for all persons indiscriminately and includes a goods booking company, contractor, agent, broker and courier agency engaged in the door-to-door transportation of documents, goods or articles utilising the services of a person, either directly or indirectly, to carry or accompany such documents, goods or articles, ut does not include the Government;

(b) "consignee" means the person named as conqinee in the goods forwarding note;

(c) "conginee" means documents, goods or articles entrusted by the consignor to the common carrier for carriage, the description or details of which are given in the goods forwarding note;

(d) "consignor" means a person, named as consignor in the goods forwarding note, by whom or on whose behalf the documents, goods or articles covered by such forwarding note are entrusted to the common carrier for carriage thereof;

(e) "goods" includes—

(i) containers, pallets or similar articles of transport used to consolidate goods; and

(ii) animals or livestock;

(f) "goods forwarding note" means the document executed under section 8;

(g) "goods receipt" means the receipt issued under section 9;

(h) "person" includes any association or body of persons, whether incorporated or not, a road transport booking company, contractor and an agent or a broker carrying on the business of a common carrier;

(i) "prescribed" means prescribed by rules made under this Act;

(j) "registering authority" means a State Transport Authority or a Regional Transport Authority constituted under Section 68 of the Motor Vehicles Act, 1988;

59 of 1988.

(k) "registration" means the registration granted or renewed under subsection (5) of Section 4.

*Persons not to engage in business of common carrier without registration.*

3. (1) No person shall engage in the business of a common carrier, after the commencement of this Act, unless he has been granted a certificate of registration.

(2) Any person who is engaged, whether wholly or partly, in the business of a common carrier, immediately before the commencement of this Act, shall,—

(a) apply for a registration within ninety days from the date of such commencement;

(b) cease to engage in such business on the expiry of one hundred and eighty days from the date of such commencement unless he has applied for registration and certificate of registration has been granted by the registering authority.

4. (1) Any person, who is engaged or intends to engage in the business of a common carrier, shall apply for the grant or renewal of a certificate of registration for carrying on the business of common carrier to the registering authority.

*Application for grant or renewal of registration.*

(2) An application under sub-section (1) shall be made to the registering authority having jurisdiction in the area inwhich the applicant resides or has his principal place of business stating that the application is for the main office, in such form and manner and accompanied by such fees payable to the registering authority as may be prescribed.

(3) An application for grant or renewal of certificate of registration for themain office shall contain the details of branch office, if any, to be operated outside the jurisdiction of the State or Union territory in which the main office is to registered in such form and manner as may be prescribed:

Provided that an application for the purpose to open or close a branch office shall be made to the registering authority having jurisdiction over the main office.

(4) A registering authority shall, before granting or renewing a certificate of registration, satisfy itself that the applicant fulfills such conditions as may be prescribed.

(5) The registering authority may, on receipt of an application under sub-section (2) or sub-section (3) and after satisfying itself that the applicant fulfills the requirement of sub-section (4), grant the certificate of registration or

renew it, as the case may be, for carrying on the business of a common carrier, in such form and subject to such conditions as may be prescribed:

Provided that no application for the grant or renewal of a certificate of registration shall be refused by the registering authority unless the applicant has been given an opportunity of being heard and the reasons for such refusal are given in writing by the registering authority within sixty days from the date of receipt of such application :

Provided further that if such refusal has not communicated within sixty days of the date of application, the registering authority shall grant or renew certificate of registration within a further period of thirty days.

(6) A certificate of registration granted or renewed under sub-section (5) shall contain the details of branch offices to be operated in various States and Union territories, and shall be valid for a period of ten years from the date of such grant or renewal, as the case may be :

Provided that in the case of registration in respect of branch offices referred to in sub-section (3), the validity of such registration shall be restricted to the validity of the registration granted in respect of the main office.

(7) The holder of certificate of registration shall —

(a) maintain a register in such form and manner as may be prescribed.

(b) for shifting the main office mentioned in the certificate of registration submit an application to the registering authority which granted the certificate of registration :

Provided that such registering authority shall grant or refuse permission for shifting the main office within thirty days from the date of receipt of such application and that no application for shifting the main office shall be refused unless the application has been given an opportunity of being heard and reasons for such refusal are given in writing by the registering authority :

Provided further that in case the registering authority has not either granted or refused the permission within thirty days it shall be deemed that the permission for shifting has been granted.

(c) submit to the registering authority under whose jurisdiction the main office is located and the Transport Research wing of the Ministry or Department of the Central Government dealing with road transport and highways such information and return as may be prescribed within one hundred and twenty days after the thirty-first day of March every year;

(d) display at a prominent place in its or its main office and each branch office, if any, a certificate of registration in original or certified copy thereof attested by the concerned registering authority, a notary or a Gazetted Officer of the Central or State Government.

(8) A common carrier shall not load the motor vehicle beyond the gross vehicle weight mentioned in the registration certificate whose registration number is mentioned in the goods forwarding note or goods receipt, and the common carrier shall not allow such vehicle to be loaded beyond the gross vehicle weight.

*Suspension  
cancellation of  
registration*

**5.** (1) If the registering authority is satisfied that the holder of certificate of registration has failed to comply with any of the provisions of sub-section (7) of Section 4, it may give a notice by registered post or through electronic media or by any verifiable means to the holder of certificate of registration to rectify within a period of thirty days and in case such a holder fails to do so, it may revoke the certificate of registration on completion of enquiry.

(2) If a complaint is received by the registering authority against a common carrier from a consignor in respect of,—

(i) non-issuance of receipt of goods;

(ii) non-disclosure of the whereabouts of the goods in transit when asked by the consignor or consignee; or

(iii) detention of goods of delivery without valid reason; or

(iv) demand for unreasonable additional charges at the time of delivery, which were neither disclosed nor agreed upon between the consignor and the consignee earlier; or

(v) non-payment of charges agreed and payable to truck-owners,

it give a notice by registered post or through electronic media or by any other verifiable means to the holder of certificate of registration to rectify the same within a period to thirty days and in case such holder fails to do so, it may revoke certificate of registration for a period as may be prescribed under the rules on completion of that enquiry.

(3) If the registering authority or any other authority so authorised under the Motor Vehicles Act, 1988 has received proof of violation of provision of sub-section (8) of Section 4, it shall be competent to impose the penalty prescribed under Section 194 of the Motor Vehicles Act, 1988 on the common carrier, notwithstanding the fact that such penalty have been already imposed on and realised from the driver or the owner of the goods vehicle or the consignor, as the case may be.

59 of 1988.

(4) Any Section for revocation of certificate of registration shall not be taken under sub-sections (1) and (2) unless the holder of the certificate of registration is given an opportunity of being heard in the enquiry reasons for such action given in writing by the registering authority.

(5) The registering authority in whose jurisdiction the main office of the common carrier is located shall be competent to take action under sub-section (1) and (2) and any other registering authority who has noticed the violations or has received complaints under the said sub-sections, shall report such matter to the registering authority having jurisdiction over the main office.

(6) When the certificate of registration is revoked, the holder of the certificate of registration shall surrender the certificate of registration to the registering authority within a period of thirty days and it would be incumbent on the holder of certificate of registration to complete the delivery and transactions in respect of the consignments already accepted by the common carrier from any consignor prior to the revocation of the certificate of registration.

(7) The holder of a certificate of registration may, at any time, surrendered the certificate to the registering authority which granted the registration and on such surrender the registering authority shall, after obtaining declaration from the holder of the certificate of registration that no liability is outstanding against him and that he shall discharge such liability, if held liable, revoke the certificate of registration :

Prvided that if the surrender is in respect of a branch, the endorsement in respect of the branch office shall be deleted from the certificate of registration and such deletion shall be notified by the registering authority having jurisdiction over the main office to such other authorities as may be prescribed.

**6. (1)** Any person aggrieved by an order of the registering authority refusing to grant or renew a certificate of registration or suspending or revoking a registration under this Act, may, within sixty days from the date of such order, appeal to the State Transport Appellate Tribunal constituted under sub-section (2) of Section 89 of the Motor Vehicles Act, 1988.

*Appeal.*

59 of 1988.

(2) An appeal under sub-section (1) shall be preferred in duplicate in the form of a memorandum setting forth the grounds of objection to the order of the registering authority and shall be accompanied by such fee as may be prescribed.

59 of 1988.

(3) Without prejudice to the provisions of sub-section (1) and (2), the provisions of sub-sections (1) and (2) of Section 89 of the Motor Vehicles Act, 1988, as in force immediately before the commencement of this Act, with regard to appeal, shall, as far as may, apply to every appeal as if the provisions aforesaid were enacted by this Act subject to the modification that any reference therein to the "permit" shall be construed as a reference to the "registration".

**7.** The State Transport Authority in respect of each State or Union territory shall submit annually to the Ministry or Department of the Central Government dealing with road transport and highways a consolidated annual return giving the details of the goods carried by the common carriers in that State or the Union territory, as the case may be, on the basis of the returns received from the holders of the registration as specified under clause (c) of sub-section (7) of Section 4.

*Submission of annual return.*

**8. (1)** Every consignor shall execute a goods forwarding note, in such form and manner as may be prescribed, which shall include a declaration about the value of the consignment and goods of dangerous or hazardous nature.

*Goods forwarding note.*

(2) The consignor shall be responsible for the correctness of the particulars furnished by him in the goods forwarding note.

(3) The consignor shall indemnify the common carrier against any damage suffered by him by reason of incorrectness or incompleteness of the particulars on the goods forwarding note.

**9. (1)** A common carrier shall,

*Goods receipts.*

(a) in case where the goods are to be loaded by the consignor, on the completion of such loading; or

(b) in any other case, on the acceptance of the goods by him, issue

a good receipt in such form manner as may be prescribed.

(2) The goods receipt shall be issued in triplicate and the original shall be given to the consignor.

(3) The goods receipt shall be *prima facie* evidence of the weight or measure and other particulars of the goods and the number of packages stated therein.

(4) The goods receipt shall include an undertaking by the common carrier about the liability under Section 10 or Section 11.

*Liability of  
common carrier.*

**10.** (1) The liability of the common carrier for loss, of, or damage to any consignment, shall be limited to such amount as may be prescribed having regard to the value, freight and nature of goods, documents or articles of the consignment, unless the consignor or any person duly authorised in that behalf have expressly undertaken to pay higher risk rate fixed by the common carrier under Section 11.

(2) The liability of the common carrier in case of any delay up to such period as may be mutually agreed upon by and between the consignor and the common carrier and specifically provided in the goods forwarding note including the consequential loss or damage to such consignment shall be limited to the amount of freight charges where such loss, damage or delay took place while the consignment was under the charge of such carrier.

Provided that beyond the period so agreed upon in the goods forwarding note, compensation shall be payable in accordance with sub-section (1) or Section 11:

Provided further that the common carrier shall not be liable if such carrier proves that such loss of, or damage to, the consignment or delay in delivery thereof, had not taken place due to his fault or neglect or that of his servants or agents thereof.

*Rates of charge to  
be fixed by  
common carrier for  
carriage of  
consignment at a  
higher risk rate.*

**11.** Every common carrier may require payment for the higher risk undertaken by him in carrying a particular consignment at such rate of charges as he may fix and correspondingly, his liability would be in accordance with the terms as may be agreed upon with the consignor :

Provided that to entitle such carrier to claim payment at a rate higher than his ordinary rate of charge, he should have exhibited a printed or written notice, in English and the vernacular language of the State, of the higher rate of charge in the place or premises where he carries on the business of common carrier.

*Conditions limiting  
exoneration of the  
liability of the  
common carrier.*

**12.** (1) Every common carrier shall be liable to the consignor for the loss or damage to any consignment in accordance with the goods forwarding note, where such loss or damage has arisen on account of any criminal act of the common carrier, or any of his servants or agents.

(2) In any suit brought against the common carrier for the loss, damage or non-delivery of consignment, it shall not be necessary for the plaintiff to prove that such loss, damage or non-delivery was owing to the negligence or criminal act of the common carrier, or any of his servants or agents.

(3) Where any consignment has been detained for examination or scrutiny by a competent authority and upon such examination or scrutiny it is found that certain prohibited goods or goods on which due tax was not paid or insufficiently paid have not been entrusted to the common carrier by the consignor which have been described in the goods forwarding note, the cost of such examination or scrutiny shall be borne by the consignor and the common carrier shall not be liable for any loss, damage or deterioration caused by such detention of the consignment for examination or scrutiny:

Provided that the onus of proving that such incorrect description of goods in the goods forwarding note was received from the consignor shall be on the common carrier.

*Explanation,—* For the purposes of this Section, “competent authority” means any person or authority who is empowered to examine or scrutinise goods by or under any law for the time being in force to secure compliance of provisions of that law.

**13.** (1) No goods of dangerous or hazardous nature to human life shall be carried by a common carrier except in accordance with such procedure and after complying with such asfeguards as may be prescribed.

(2) The Central Government may, by rules made in this behalf, specify the goods of dangerous or hazardous nature to human life and the label or class of labels to be carried in, or displayed on, the motor vehicle or such goods in the course of transportation.

(3) Notwithstanding anything contained in any other law for the time being in force, every common carrier shall scrutinise and ensure before starting transportation of any consignment containing goods of dangerous or hazardous nature to human life that, the consignment is covered by, one or more insurance policies under a contract of insurance in respect of such goods providing relief in case of death or injury to a person or damage to any property or the consignment, if an accident takes place.

**14.** The Central Government may, by notification in the Official Gazette, specify, in public interest, the goods or class or classes of goods which shall not be carried by a common carrier.

**15.** (1) If the consignee fails to take delivery of any consignment of goods within a period of thirty days from the date of notice given by the common carrier, such consignment may be deemed as unclaimed:

Provided that in case of perishable consignment, the period of thirty days shall not apply and the consignment shall be deemed unclaimed after a period of twenty four hours of service of notice or any lesser period as may be mutually agreed to by and between the common carrier and the consignor.

(2) In the case of an unclaimed consignment under sub-section (1), the common carrier may,—

(a) if such consignment is perishable in nature, have the right to sell the consignment; or

*Provision for carriage of goods of dangerous or hazardous nature to human life.*

*Power of central Government to prohibit carriage of certain class of goods.*

*Right of common carrier in case of consignor's default.*

(b) if such consignment is not perishable in nature, cause a notice to be served upon the consignee or upon the consignor if the consignee is not available, requiring him to remove the goods within a period of fifteen days from the date of receipt of the notice and in case of failure to comply with the notice, the common carrier shall have the right to sell such consignment without any further notice to the consignee or the consignor, as the case may be.

(3) The common carrier shall, out of the sale proceeds received under sub-section (2), retain a sum equal to the freight, storage and other charges due including expenses incurred for the sale, and the surplus, if any, from such sale proceeds shall be returned to the consignee or the consignor, as the case may be.

(4) Unless otherwise agreed upon between the common carrier and consignor, the common carrier shall be entitled to detain or dispose off the consignment in part or full to recover his dues in the event of the consignee failing to make payment of the freight and other charges payable to the common carrier at the time of taking delivery.

**16.** No suit or other legal proceeding shall be instituted against a common carrier for any loss of, or damage to, the consignment, unless notice in writing of the loss or damage to the consignment has been served on the common carrier before the institution of the suit or other legal proceeding and with one hundred and eight days from the date of booking of the consignment by the consignor.

*Notice for  
institution of a suit.*

*General  
responsibility of  
common carrier.*

**17.** Save as otherwise provided in this Act, a common carrier shall be responsible for the loss, destruction, damage or deterioration in transit or non-delivery of any consignment entrusted to him for carriage, arising from any cause except the following, namely:-

- (a) act of God;
- (b) act of war or public enemy;
- (c) riots and civil commotion
- (d) arrest, restraint or seizure under legal process;

(e) order or restriction or prohibition imposed by the Central Government or State Government or by an officer or authority subordinate to the Central Government or a State Government authorised by it in this behalf:

Provided that the common carrier shall not be relieved of its responsibility for the loss, destruction, damage, deterioration or non-delivery of the consignment if the common carrier could have avoided such loss, destruction, damage or deterioration or non-delivery had the common carrier exercised due diligence and care in the carriage of the consignment.

*Punishment for  
constravention in  
relation to non-  
registration,  
carrying goods of  
dangerous or  
hazardous nature,  
or prohibited  
goods.*

**18.** (1) Whoever contravenes the provisions of Section 3, Section 13 or a notification issued under Section 14 shall be punishable for the first offence with fine which may extend to five thousand rupees, and for the second or subsequent offence with fine which may extend to ten thousand rupees.

(2) If the person committing an offence under this Act is a company,

every person who, at the time the offence was committed, was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly;

Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

(3) Notwithstanding anything contained in sub-section (1), where any offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall be proceeded against and punished accordingly.

*Explanation,—*For purpose of this Section,—

(a) "company" means any body corporate and includes a firm or other association of individuals; and

(b) "director", in relation to a firm, means a partner in the firm.

*Composition of offences.*

**19.** (1) Any offence committed under Section 18, may either before or after the institution of the prosecution, be compounded by such officers or authorities and for such amount as the State Government may, by notification in the Official Gazette., specify.

(2) Where an offence has been compounded under sub-section (1), the offender shall be discharged and no further proceedings shall be taken against him in respect of such offence.

*Power to make rules.*

**20.** (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the form and manner of making an application for grant or renewal of a certificate of registration for main office or branch office and the fee thereof under sub-section (2) and (3) of Section 4;

(b) the other conditions of eligibility which are required to be fulfilled by an applicant under clause (d) of sub-section (4) of Section 4;

(c) the form in which and the conditions subject to which certificate of registration or renewal may be granted under sub-section (5) of Section 4;

(d) the form and manner of maintaining a register under clause (a) of sub-section (7) of Section 4;

(e) the information and return which may be furnished to the registering authority and the transport research wing under clause (c) of sub-section (7) of Section 4;

- (f) fee for submitting the memorandum of appeal under sub-section (2) of Section 6;
- (g) the form and manner in which a goods forwarding note shall be executed by the consignor under sub-section (1) of Section 8;
- (h) the form and manner in which a common carrier shall issue goods receipt under sub-section (1) of Section 9;
- (i) liability of the common carrier for loss of, or damage to any consignment under sub-section (1) of Section 10;
- (j) the procedure and safeguards to be complied with for carrying goods of dangerous or hazardous nature under sub-section (1) of Section 13;
- (k) the specification of the goods of dangerous or hazardous nature to human life and the label or class of labels to be carried or displayed in or on the motor vehicle or on such goods in the course of their transportation under sub-section (2) of Section 13; and
- (l) any other matter which is required to be, or may be, prescribed.

(3) Every rule made under this Section and every notification issued under Section 14 shall be laid, as soon as may be after it is made or issued, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or the notification, or both Houses agree that the rule or the notification should not be made or issued, the rule or the notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or notification.

**21.** (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by general or special order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act as appear to it to be necessary or expedient for removing the difficulty:

Provided that no such order shall be made under this Section after the expiry of two years from the date of commencement of this Act.

(2) Every order made under sub-section (1) shall be laid, as soon as may be, after it is made before each House of Parliament.

*Power to remove difficulties*

*Repeal and saving*

**22.** (1) The Carriers Act, 1865, is hereby replaced.

*3 of 1865.*

(2) Notwithstanding the repeal of the Carriers Act, 1865, anything done or any action taken under the said act shall, in so far as such thing or action is not inconsistent with the provisions of this Act, be deemed to have been done or taken under the provisions of this Act and shall continue in force accordingly until superseded by anything done or any action taken under this Act.

*3 of 1865.*

(3) The mention of particular matters in this section shall not be held to prejudice or after the general application of Section 6 of the General Clauses Act, 1897 with regard to the effect of repeals.

*10 of 1897.*

**THE STATE BANK OF INDIA (SUBSIDIARY BANKS LAWS)**

**AMENDMENT ACT 2007**

(As PASSED BY THE PARLIAMENT)

AN

ACT

*further to amend the State Bank of Saurashtra Act, 1950, the State Bank of Hyderabad Act, 1956 and the State Bank of India (Subsidiary Banks) Act, 1959.*

BE it enacted by Parliament in the Fifty-eight year of the Republic of India as follows:—

**PART I**

**PRELIMINARY**

**1. (1)** This Act may be called the State Bank of India (Subsidiary Banks Laws) Amendment Act, 2007.

*Short title and commencement.*

**(2)** It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint:

Provided that different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

**CHAPTER II**

**AMENDMENTS TO THE STATE BANK OF SAURASHTRA ACT, 1950**

**2.** For section 5 of the State Bank of Saurashtra Act, 1950 (hereafter in this Chapter referred to as the State Bank of Saurashtra Act), the following section shall be substituted, namely:—

**"5. (1)** Subject to the provisions of this Act, the authorised capital of the Saurashtra Bank shall be rupees five hundred crores.

**(2)** The authorised capital of the Saurashtra Bank shall be divided into shares of one hundred rupees each or of such denomination as the Saurashtra Bank may, with the approval of the State Bank, decide.

**(3)** The Saurashtra Bank may issue the certificates of shares of equivalent values of such denomination as the Saurashtra Bank may decide with the approval of the State Bank, in accordance with the procedure as may be specified by regulations made under Section 63 of the State Bank of India (Subsidiary Banks) Act, 1959 and every shareholder of the Saurashtra Bank shall be entitled to have the certificate of shares of equivalent value of such denomination.

*38 of 1959.*

**(4)** notwithstanding anything contained in sub-section (1), the State Bank may, with the approval of the Reserve Bank, authorise the Saurashtra Bank to increase or reduce its authorised capital.”.

**3. In Section 6 of the State Bank of Saurashtra Act,—**

**(a)** after sub-section (1), the following sub-section shall be inserted, namely:—

*Amendment of Section 6.*

*"(IA) Notwithstanding anything contained in sub-section (1), the issued capital of the Saurashtra Bank, shall consist of such amount as the*

*(3B) The Saurashtra Bank may, with the approval of the State Bank and the Reserve Bank, increase from time to time by way of issuing bonus shares to existing equity shareholders, its issued capital in such manner as the State Bank, with the approval of the Reserve Bank, direct.*

*(3C) No increase or reduction in the issued capital of the Saurashtra Bank shall be made in such a manner that the State Bank holds at any time less than fifty-one percent, of the issued capital consisting of equity shares to existing equity shareholders, its issued capital in such manner as the State Bank, with the approval of the Reserve Bank, direct.*

*(3D) The Saurashtra Bank may accept the money in respect of shares issued towards increase in issued capital in instalments, make calls and forfeit unpaid shares and re-issue them, in the manner as may be specified by regulations made under section 63 of the State Bank of India (Subsidiary Banks) Act, 1959.";*

38 of 1959.

### CHAPTER III

#### AMENDMENTS TO THE STATE BANK OF HYDERABAD ACT, 1956"

38 of 1956.

**4.** For Section 9 of the State Bank of Hyderabad Act, 1956 (hereafter in the Chapter referred to as the State Bank of Hyderabad Act,) the following Section shall be substituted, namely:-

*Substitution of new section for section 9.*

*"9. (1) Subject to the provisions of this Act, the authorised capital of the Hyderabad Bank shall be rupees five hundred crores.*

*Authorised capital.*

*(2) The authorised capital of the Hyderabad Bank shall be divided into shares of one hundred rupees each or of such denomination as the Hyderabad Bank may, with the approval of the State Bank, decide.*

38 of 1959.

*(3) The Hyderabad Bank may issue the certificates of shares of equivalent values of such denomination as the Hyderabad Bank may decide with approval of the State Bank, in accordance with the procedure as may be specified by regulation made under Section 63 of the State Bank of India (Subsidiary Banks) Act, 1959 and every shareholder of the Hyderabad Bank shall be entitled to have the certificate of shares of equivalent value of such denomination.*

*(4) Notwithstanding anything contained in sub-section (1), the State Bank may, with the approval of the reserve Bank, authorise the Hyderabad Bank to increase or reduce its authorised capital."*

**5. In Section 10 of the State Bank of Hyderabad Act–**

*Amendment of Section 10.*

*(a) after sub-section (1), the following sub-section shall be inserted, namely:-*

*"(1A) Notwithstanding anything contained in sub-section (1), the issued capital of the Hyderabad Bank, shall consist of such amount as the State Bank may, with the approval of the Reserve Bank, fix, and shall be divided into fully paid-up shares of such denomination in accordance with sub-section (2) of Section 9.";*

*(b) for sub-section (3), the following sub-sections shall be substituted, namely:-*

38 of 1959.

"(3) The Hyderabad Bank may, from time to time, with the approval of the State Bank and the Reserve Bank, increase, whether by public issue or by preferential allotment or private placement in accordance with the procedure as may be specified by regulations made under Section 63 of the State Bank of India (Subsidiary Banks) Act, 1959, its issued capital by issue of equity or preference shares.

(3A) The issued capital of the Hyderabad Bank shall consist of equity shares or equity and preference shares:

Provided that the issued of preference shares shall be in accordance with the guidelines framed by the Reserve Bank specifying the class of preference shares, the extent of issue of each class of such preference shares (whether perpetual or irredeemable or redeemable) and the terms and conditions subject to which, each class of preference shares may be issued.

(3B) The Hyderabad Bank may, with the approval of the State Bank and the Reserve Bank, increase from time to time by way of issuing bonus shares to existing equity shareholders, its issued capital in such manner as the State Bank, with the approval of the Reserve Bank, direct.

(3C) No increase or reduction in the issued capital of the Hyderabad Bank shall be made in such a manner that the State Bank holds at any time less than fifty-one percent. of the issued capital consisting of equity shares of the Hyderabad Bank.

(3D) The Hyderabad Bank may accept the money in respect of shares issued towards increase in issued capital in instalments, make calls and forfeit unpaid shares and re-issue them, in the manner as may be specified by regulations made under Section 63 of the State Bank of India (Subsidiary Banks) Act, 1959.".

38 of 1959.

#### CHAPTER IV

##### AMENDMENTS TO THE STATE BANK OF INDIA (SUBSIDIARY BANKS) ACT, 1959"

*Substitution of new Section for Section 6.*

*Authorised capital of new bank.*

**6. For Section 6 of the State Bank of India (Subsidiary Banks) Act, 1959 [hereafter in this Chapter referred to as the State Bank of India (Subsidiary Banks) Act,] the following Section shall be substituted, namely:—**

38 of 1959.

"6. (1) Subject to the provisions of this Act, the authorised capital of every new bank shall be rupees five hundred crores.

(2) The authorised capital of every new bank shall be divided into shares of one hundred rupees each or of such denomination as the new bank may, with the approval of State Bank, decide.

(3) Every new bank may issue the certificate of shares of equivalent values of such denomination as the new bank may, decide, with the approval of the State Bank, in accordance with the procedure as may be prescribed and every shareholder of the new bank shall be entitled to have the certificate of shares of equivalent value of such denomination.

(4) Notwithstanding anything contained in sub-section (1), the State Bank may, with the approval of Reserve Bank, authorise a new bank to increase or reduce its authorised capital.".

*Amendment of  
Section 7.*

**7. In Section 7 of the State Bank of India (Subsidiary Banks) Act,—**

(a) after sub-section (1), the following sub-section shall be inserted, namely:—

“(1A) Notwithstanding anything contained in sub-section (1), the issued capital of a new bank shall, consist of such amount as the State Bank may, with the approval of the Reserve Bank, fix, and shall be divided into fully paid-up shares of such denomination accordance with sub-section (2) of Section 6”.;

(b) for sub-sections (4) and (5), the following sub-section shall be substituted, namely:—

“(4) A new bank may from time to time, with approval of the State Bank and reserve Bank, increase, whether by public issue or by preferential allotment or private placement in accordance with the procedure as may be prescribed, its issued capital by issue of equity or preference shares.

(5) The issued capital of a new bank shall consist of equity shares or equity and preference shares:

Provided that the issue of preference shares shall be in accordance with the guidelines framed by the Reserve Bank specifying the class of preference shares, the extent of issue of each class of such preference shares (whether perpetual or irredeemable or redeemable) and the terms and conditions subject to which, each class of preference shares may be issued.

(6) A new bank, may, with the approval of the State Bank and the Reserve Bank, increase from time to time by way of issuing bonus shares to existing equity shareholders, its issued capital in such manner as the State Bank, with approval of the Reserve Bank, direct.

(7) No increase or reduction in the issued capital of a new bank shall be made in such a manner that the State Bank holds at any time less than fifty-one percent of the issued capital consisting of equity shares of new bank.

(8) A new bank may accept the money in respect of shares issued towards increase in issued capital in instalments, make calls and forfeit unpaid shares and re-issue them, in the manner as may be prescribed.”.

**8. In Section 18 of the State Bank of India (Subsidiary Banks) Act, in sub-section (2), for the words “fifty-five per cent of the issued capital” the words “fifty one per cent of the issued capital consisting of equity shares” shall be substituted.**

**9. After Section 18 of the State Bank of India (Subsidiary Banks) Act, the following Section shall be inserted, namely:—**

“18A. (1) Every individual registered shareholder of a subsidiary bank may, at any time, nominate, in the prescribed manner, an individual to whom all his rights in the shares shall vest in the event of his death.

*Amendment of  
Section 18.*

*Insertion of new  
Section 18A.*

*Right of registered  
shareholder to  
nominate.*

(2) Where the shares are registered in the name of more than one individual jointly, the joint holders may together nominate in the prescribed manner, an individual to whom all their rights in the shares shall vest in the event of the death of all the joint holders.

(3) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares where a nomination made in the prescribed manner purports to confer on any individual the right to vest the shares, the nominee shall, on the death of the shareholder or, as the case may be, on the death of all the joint holders, become entitled to all the rights of the shareholder or, as the case may be, of all the joint holders, in relation to such shares to the exclusion of all other persons unless the nomination is varied or cancelled in the prescribed manner.

(4) Where the nominee is a minor, it shall be lawful for the individual registered as the holder of the shares to make nomination to appoint, in the prescribed manner, any person to become entitled to the shares in the event of his death during the minority of the nominee.”.

**10.** For Section 19 of the State Bank of India (Subsidiary Banks) Act, the following section shall be substituted, namely:—

“19. No shareholder, other than the State Bank, shall be entitled to exercise voting rights in respect of any shares held by him in excess of ten per cent of the issued capital of the subsidiary bank concerned:

Provided that the shareholder holding any preference share capital in the subsidiary bank shall, in respect of such capital, have a right to vote only on resolutions placed before such subsidiary bank which directly affect the rights attached to his preference shares.

Provided further that no preference shareholder shall be entitled to exercise voting rights in respect of preference shares held by him in excess of ten per cent of the total rights of all the shareholders holding preference share capital only.”

**11.** Section 21 of the State Bank of India (Subsidiary Banks) Act shall be numbered as sub-section (1) thereof and after sub-section (1) as so numbered, the following sub-sections shall be inserted, namely:—

“(2) Notwithstanding anything contained in sub-section (1), it shall be lawful for a subsidiary bank to keep the register of shareholders in computer floppies or diskettes or any other electronic form subject to such safeguards as may be prescribed.

(3) Notwithstanding anything contained in the Indian Evidence Act, 1872, a copy of, or extract from, the register of shareholders, certified to be a true copy under the hand of any officer of the subsidiary bank authorised in this behalf shall in all legal proceedings, be admissible in evidence.”.

*Amendment of  
Section 22.*

**12.** In Section 22 of the State Bank of India (Subsidiary Banks) Act, for the words and figures “Notwithstanding anything contained in Section 19, no notice of any trust”, the words “No notice of any trust,” shall be substituted.

*Amendment of  
Section 25.*

**13.** In Section 25 of the State Bank of India (Subsidiary Banks) Act,—

*Substitution of new  
section for section  
19.*

*Restriction on  
voting rights.*

*Amendment of  
section 21.*

*1 of 1872.*

(i) in sub-section (1)—

(a) for clause (a), the following clause shall be substituted, namely:—

“(a) the Chairman for the time being of the State Bank, *ex officio* or an official of the State Bank or of the subsidiary bank nominated by him as Chairman, with the approval of the Reserve Bank;”;

(b) for clause (b), the following clause shall be substituted, namely:—

“(b) one director, possessing necessary expertise and experience in the matters relating to regulation or supervision of commercial banks, to be nominated by the Reserve Bank;”;

(c) for clause (b), the following clause shall be substituted, namely:—

“(d) not more than three directors to be elected in the following manner, namely:—

(i) if the total amount of holdings of the shareholders (other than the State Bank) of a subsidiary bank is more than one percent. of the total issued capital, and equal to or less than sixteen percent. of such capital, one director to be elected, in the prescribed manner, by such shareholders and two directors shall be nominated by the State Bank, or

(ii) if the total amount of holdings of the shareholders (other than the State Bank) of a subsidiary bank is more than sixteen percent of the total issued capital and equal to or less than thirty-two percent of such capital , two directors to be elected in the prescribed manner by such shareholders and one director shall be nominated by the State Bank, or

(iii) if the total amount of holdings of the shareholders (other than the State Bank) of a subsidiary bank is more than thirty-two percent of the total issued capital, all the three directors to be elected, in the prescribed manner, by such shareholders:

Provided that in case, the total amount of holdings of the shareholders of a subsidiary bank (other than the State Bank) is not more than one per cent. of the total issued capital, all three directors shall be nominated by the State Bank and such directors shall, for the purposes of this Act, be deemed to be directors elected under this clause.

*Explanation.—*For the purposes of this sub-section, the total amount of holdings of the shareholders (other than the State Bank) whose names are on the register of shareholders of the subsidiary bank three months before the date fixed for election of directors shall be taken into accounts.”;

(ii) sub-section (3) shall be omitted;

(iii) in sub-section (4),the words “the Reserve Bank or “ shall be omitted.

**14.** After Section 25 of the State Bank of India (Subsidiary Banks) Act, the following sections shall be inserted, namely:—

“25A. (1) The Directors to be elected under clause (d) of sub-section (1) of section 25 shall—

(a) have special knowledge or practical experience in respect of one or more of the following matters, namely:—

- (i) agricultural and rural economy,
- (ii) banking,
- (iii) co-operation,
- (iv) economics,
- (v) finance,
- (vi) law,
- (vii) small-scale industry,

(viii) any other matter the special knowledge of, and practical experience in, which would, in the opinion of the Reserve Bank, be useful to the subsidiary bank;

- (b) represent the interests of depositors; or
- (c) represent the interests of farmers, workers and artisans.

(2) Without prejudice to the provisions of sub-section (1) and notwithstanding anything to the contrary contained in this Act or in any other law for the time being in force, no person shall be eligible to be elected as director under clause (d) of sub-section (1) of Section 25 unless he is a person having fit and proper status based upon track record, integrity and such other criteria as the Reserve Bank may notify from time to time in this regard.

(3) The Reserve Bank may also specify in the notification issued under sub-section (2), the authority to determine the fit and proper status, the manner of such determination, the procedure to be followed for such determinations and such other matters as may be considered necessary or incidental thereto.

(4) Where the Reserve Bank is of the opinion that any director of a subsidiary bank elected under clause (d) of sub-section (1) of Section 25 does not fulfil the requirements of sub-sections (1) and (2), it may, after giving to such director and the subsidiary bank a reasonable opportunity of being heard, by order, remove such director and on such removal, the Board of Directors shall co-opt any other person fulfilling the requirements of the said sub-sections as a director in place of the person so removed till a director is duly elected by the shareholders of the subsidiary bank in the next annual general meeting and the person so co-opted shall be deemed to have been duly elected by the shareholders of the subsidiary bank as a director.

25B. (1) If the Reserve Bank is of the opinion that in the interest of banking policy or in the public interest or in the interests of the subsidiary bank or its depositors, it is necessary so to do, it may, from time to time and by order in writing appoint, with effect from such date as may be specified in the order, one or more persons to hold office as additional directors of the subsidiary bank.

(2) Any person appointed as additional director in pursuance of this section shall—

- (a) hold office during the pleasure of the Reserve Bank and

*Power of Reserve  
Bank to appoint  
additional  
directors.*

subject thereto for a period not exceeding three years or such further period not exceeding three years at a time as the Reserve Bank may specify;

(b) not incur any obligation or liability by reason only of his being a director or for anything done or omitted to be done in good faith in the execution of the duties of his office or in relation thereto; and

(c) not be required to hold qualification shares in the subsidiary bank.

(3) For the purpose of reckoning any proportion of the total number of directors of the subsidiary bank, any additional director appointed under this section shall not be taken into account.”.

*Amendment of  
Section 27.*

**15.** In section 27 of the State Bank of India (Subsidiary Banks) Acts, in sub-section (5), in clause (a), for the words and figures “Banking Companies Act, 1949”, the words and figures “Banking Regulation Act, 1949” shall be substituted.

*Amendment of  
Section 34.*

**16.** In Section 34 of the State Bank of India (Subsidiary Banks) Act,—

(a) for sub-section (1), the following sub-section shall be substituted, namely:—

“(1) The Board of Directors of a subsidiary bank shall meet at such time and place and shall observe such rules of procedure in regard to the transaction of business at its meetings as may be prescribed; and the meeting of the Board of Directors may be held by participation of the directors of the Board through video-conferencing or such other electronic means, as may be prescribed, which are capable of recording and recognising in the participation of the directors and the proceedings of such meetings are capable of being recorded and stored:

Provided that the Central Government may in consultation with the Reserve Bank, by a notification in the Official Gazette, specify the powers which shall not be exercised in a meeting of the Board of Directors held through video conferencing or such other electronic means.”;

(b) in sub-section (2), for the words “The Chairman of the State Bank” the words “The Chairman of the Board of Directors of a Subsidiary Bank” shall be substituted;

(c) for sub-section (3), the following sub-section shall be substituted, namely:—

“(3) All questions at the meeting of the Board of Directors of a subsidiary bank shall be decided by a majority of the votes of the directors present in the meeting or through video-conferencing or such other electronic means and in the case of equality of votes, the Chairman of Board of Directors of a subsidiary bank or, in his absence, the person presiding at the meeting shall have a second or casting vote.”;

(d) in sub-section (5), in the proviso,, in clause (ii), for the words, brackets and letters “of the Reserve Bank or the State Bank nominated under clause (b) or clause (c)” the words, brackets and letter “of the State Bank nominated under clause (c)” shall be substituted;

(e) in sub-section (6), the word “and the Reserve Bank” shall be omitted.

*Insertion of new  
Section 35A.*

*Supersession of  
Board of Directors  
in certain cases.*

**17.** After Section 35 of the State Bank of India (Subsidiary Banks) Act, the following Section shall be inserted, namely:-

“35A. (1) Where the Reserve Bank, on the recommendation of the State Bank is satisfied that in the public interest or for preventing the affairs of a subsidiary bank being conducted in a manner detrimental to the interest, of the depositors or the subsidiary bank or for securing the proper management of the subsidiary bank, it is necessary so to do, the Reserve Bank may, for reasons to be recorded in writing, by order, supersede the Board of Directors of the subsidiary bank for a period not exceeding six months as may be specified in the order:

Provided that the period of supersession of the Board of Directors may be extended from time to time, so, however, that the total period shall not exceed twelve months.

(2) The Reserve Bank may, on supersession of the Board of Directors of the subsidiary bank under sub-section (1), appoint, for period such as it may determine, an Administrator (not being an officer of the Central Government or a State Government) who has experience in law, finance, banking, economics or accountancy.

(3) The Reserve Bank may issue such directions to the administrator as it may deem appropriate and the Administrator shall be bound to follow such directions.

(4) Upon making the order of supersession of the Board of Directors of the subsidiary bank, notwithstanding anything contained in this Act,—

(a) the Chairman, managing director and other directors shall, as from the date of supersession, vacate their offices as such;

(b) all the powers, functions and duties which may, by or under this Act, or any other law for the time being in force, be exercised and discharged by or on behalf of the Board of Directors of such subsidiary bank, or by a resolution passed in general meeting of the subsidiary bank, shall, until the Board of Directors of the subsidiary bank is reconstituted, be exercised and discharged by the Administrator appointed by the Reserve Bank under sub-section (2):

Provided that the power exercised by the Administrator shall be valid notwithstanding that such power is exercisable by a resolution passed in the general meeting of the subsidiary bank.

(5) The Reserve Bank may constitute a committee of three or more persons who have experience in law, finance, banking, economics or accountancy to assist the Administrator in the discharge of his duties.

(6) The committee referred to in sub-section (5) shall meet at such times and places and observe such rules of procedure as may be specified by the Reserve Bank.

(7) The salary and allowances payable to the Administrator and the members of the Committee constituted under sub-section (5) by the Reserve Bank shall be such as may be specified by the Reserve Bank and be payable by the concerned subsidiary bank.

(8) On and before the expiration of two months before expiry of the period of supersession of the Board of Directors as specified in the order issued under sub-section (1), the administrator of the subsidiary bank, shall call the general meeting of the subsidiary bank to elect new directors and reconstitute its Board of Directors.

(9) Notwithstanding anything contained in any other law or in any contract, the memorandum or articles of association, no person shall be entitled to claim any compensation for the loss or termination of his office.

(10) The Administrator appointed under sub-section (2) shall vacate office immediately after the Board of Directors of the subsidiary bank has been reconstituted.”.

**18.** In Section 38 of the State Bank of India (Subsidiary Banks) Act, in sub-section (10), in clause (a), for the words and figures “Banking Companies Act, 1949”, the words and figures “Banking Regulation Act, 1949” shall be substituted.

*Amendment of Section 38.*

**19.** In Section 39 of the State Bank of India (Subsidiary Banks) Act, for the word “December”, the word “March” shall be substituted.

*Amendment of Section 39.*

**20.** After Section 40 of the State Bank of India (Subsidiary Banks) Act, the following Section shall be inserted, namely:-

*Insertion of new Section 40A.*

‘40A. (1) Where, after the commencement of the State Bank of India (Subsidiary Banks Laws) Amendment Act, 2007,a dividend has been declared by the subsidiary bank but has not been paid, or claimed , within thirty days from the date of declaration, to or by any shareholder entitled to the payment of the dividend, the subsidiary bank shall, within seven days from the date of the expiry of such period of thirty days, transfer the total amount of dividend which remains unpaid, or unclaimed within the said period of thirty days, to a special account to be called “unpaid dividend account of.....(Name of the subsidiary bank)”.

*Transfer of unpaid unclaimed dividend to unpaid dividend account*

*Explanation,—*In this sub-section, the expression “dividend which remains unpaid” means any dividend the warrant in respect thereof has not been encased or which has otherwise not been paid or claimed.

(2) Where the whole or any part of any dividend, declared by the subsidiary bank before the commencement of the State Bank of India (Subsidiary Banks Laws) Amendment Act, 2007, remains unpaid at such commencement, the subsidiary bank shall, within a period of six months from such commencement, transfer such unpaid amount to the account referred to in sub-section (1)

(3) Any money transferred to the unpaid dividend account of the subsidiary bank in pursuance of this Section, which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the subsidiary bank to the Investor Education and Protection Fund establish under sub-section (1) of Section 205C of the Companies Act, 1956.’.

*1 of 1956.*

(4) The money transferred under sub-section (3) to the Investor Education and Protection Fund shall be utilised for the purposes and in the manner specified in section 205C of the Companies Act, 1956.”.

*1 of 1956.*

**21.** In Section 43 of the State Bank of India (Subsidiary Banks ) Act,—

*Amendment of Sectin 43.*

(a) in sub-section (1), in clause (a), for the word "December", the word "March" shall be substituted;

(b) for sub-section (2), the following sub-section shall be substituted, namely:—

"(2) The balance-sheet and profit and loss account of the subsidiary bank shall be signed by persons holding the office of the chairman, managing director, and a majority of the other directors of the subsidiary bank in office.”.

*Amendment of  
Sectin 44.*

**22. In Section 44 of the State Bank of India (Subsidiary Banks ) Act,—**

(a) in sub-section (2),—

(i) for the words "discuss the balance-sheet", the words "discuss and adopt the balance-sheet" shall be substituted;

(ii) for the word "December", the word "March" shall be substituted;

*Amendment of  
Sectin 48*

**23. In Section 48 of the State Bank of India (Subsidiary Banks) Act, after sub-section (2), for the words and figures "India Income -tax Act, 1922", the words and figures "Income tax Act, 1961" shall be substituted.**

11 of 1922.

43 of 1961.

*Amendment of  
Sectin 50.*

**24. In Section 50 of the State Bank of India (Subsidiary Banks) Act, after sub-section (1), the following sub-section shall be inserted, namely:—**

"(1A) The officers, advisers and employees of the subsidiary bank concerned shall individually or jointly, or with other officers, advisers and employees in a committee exercise such powers and perform such duties as may, by general or special order, be entrusted or delegated to them by the Board of Directors or its executive Committee.”.

*Amendment of  
Sectin 55.*

**25. In Section 55 of the State Bank of India (Subsidiary Banks) Act, for the words "Banking Companies Act", the words "Banking Regulation Act" shall be substituted.**

*Amendment of  
Section 63.*

**26. In Section 63 of the State Bank of India (Subsidiary Banks) Act,—**

(a) for sub-section (1), the following sub-section shall be substituted, namely:—

"(1)The Board of Directors of a subsidiary bank may, after consultation with the State Bank and with the previous approval of the Reserve Bank, by notification in the Official Gazette, make regulations not inconsistent with this Act and rules made thereunder, to provide for all matters for which provision is necessary or expedient for the purpose of giving effect to the provisions of this Act or any other law for the time being in force;”;

(b) in sub-section (2),—

(i) after clause (f), the following clauses shall be inserted, namely:—

"(fa) the procedure for issuing the certificates of shares;

"(fb) the procedure with respect to increase, whether by public issue or by preferential allotment or private placement, the issued capital by issue of equity or preference shares;

(fc) the manner of acceptance of share money in instalments, the manner of making calls and the manner of forfeiture of unpaid shares and their re-issue,;"

(ii) for clause (g), the following clauses shall be substituted, namely:—

"(g) the maintenance of share registers, and the particulars to be entered in such registers in addition to those specified in sub-section (1) of Section 21, the safeguards to be observed in the maintenance of the register of shareholders on computer floppies or diskettes or any other electronic form, the inspection and closure of the registers and all other matters connected therewith;

(ga)the manner in which every individual registered shareholder nominate, an individual to whom all his rights in the shares shall vest in the event of his death under sub-section (1) of section 18A;

(gb) the manner in which, joint holders may nominate an individual to whom all their rights in the shares shall vest in the events of the death of all the joint holders under sub-section (2) of Section 18A;

(gc)the manner in which nomination is varied or cancelled under sub-section (3) of Section 18A;

(gd)the manner in which every individual registered as the holder of the shares to make nomination where nominee is a minor to appoint, any person to become entitled to the shares in the event of his death during the minority of the nominee under sub-section (4) of Section 18A;

(c) in sub-section (4), for the words "made under this Act", the words "made under this Section" shall be substituted.

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modification, withdrawal, suspension or cancellation of such registration and the code of conduct for officials of accreditation agencies for accreditation of the warehouses under clause (b) of sub-section (2) of Section 35;

(i) the standards for approval of certifying agencies for grading of goods under clause (f) of sub-section (2) of Section 35;

(j) the rate of fees and other charges to be levied for carrying out the provisions of this Act under clause (h) of sub-section (2) of Section 35;

(k) any other matter which is required to be, or may be, specified by regulations or in respect of which provision is to be or may be made by regulations.

**52.** Every rule made by the Central Government and every regulation made by the Authority under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and, if before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or regulation or both Houses agree that the rule or regulation should not be made, the rule or regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or regulation.

**53.** The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for time being in force or in any thing having effect by virtue of any law other than this Act.

**54.** (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order, published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act as appear to it to be necessary for removing the difficulty:

Provided that no such order shall be made under this Section after expiry of three years from the date of commencement of this Act.

(2) Every order made under this section shall, as soon as may be after it is made, be laid before each House of Parliament.

**55.** After session 8B of the Stamp Act, 1899, the following session shall be inserted, namely:-

"8C. Notwithstanding anything contained in this Act, negotiable warehouse receipts shall not be liable to stamp duty".